

Message Text

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O R 141952Z MAY 77

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INFO ALL OECD CAPITALS

AMEMBASSY ALGIERS

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C O N F I D E N T I A L SECTION 01 OF 06 OECD PARIS 14337

E.O. 11652: GDS

TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENRG

SUBJECT: CIEC: FINAL COMMISSION AND CONTACT GROUP
SESSIONS, MAY 12 - 14

1. SUMMARY: COMMISSIONS AND CONTACT GROUPS ENDED THEIR SESSIONS AS SCHEDULED ON MAY 14. THERE ARE VIRTUALLY NO ISSUES FINALLY AGREED, AND ALTHOUGH CONSIDERABLE PROGRESS WAS MADE IN SOME AREAS, THE TEXTS COMING OUT OF MOST OF THE CONTACT GROUPS REMAIN HEAVILY BRACKETED AND, TO THE LAY READER, LARGELY UNINTELLIGIBLE. NEVERTHELESS, MINISTERIAL PACKAGE HAS BEGUN TO TAKE SHAPE. G-8 COORDINATION IS GENERALLY GOOD WITH COMMON POSITIONS ON THE TABLE ON ALL ISSUES--EXCEPT FOR THE COMMON FUND AND SPECIAL ACTION PROPOSAL WHERE FINAL POSITIONS REMAIN TO BE COORDINATED BEFORE MAY 26-27 MEETING OF SENIOR OFFICIALS.

2. G-8 REMAINS GENERALLY AGREED THAT NEGOTIATING PROCESS HAS IN EFFECT NOW ENDED EXCEPT FOR A RESTRICTED LIST OF KEY ISSUES. IT IS NOW CLEAR, EVEN TO THE G-19, THAT NEGOTIATIONS CANNOT CONTINUE ANY FURTHER AT SENIOR OFFICIALS AND MINISTERIAL LEVEL ON THE LONG LIST OF SECONDARY AND TERTIARY ISSUES, AND, THAT IN THE END THE G-19 WILL HAVE TO CHOOSE BETWEEN ACCEPTING THE G-8 POSITIONS NOW ON THE TABLE OR RECONCILING THEMSELVES TO HAVING NO CIEC CONCLUSIONS ON THESE SUBJECTS.

3. THE CANADIANS WILL MEET WITH PEREZ GUERRERO TO DISCUSS PREPARATIONS FOR THE SENIOR OFFICIALS AND MINISTERIAL MEETINGS. THEY WILL SEEK HIS AGREEMENT ON AN INFORMAL SHORT LIST OF TOPICS FOR THE SENIOR OFFICIALS' MEETING. HOWEVER, THIS WILL OBVIOUSLY BE CONFIDENTIAL

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DIFFICULT FOR PEREZ GUERRERO, GIVEN G-19 POLITICAL DYNAMICS AND SENSITIVITY TO THE VIEWS OF THE G-77. IN THE END, THE PROCESS OF CONCENTRATION OF THE FINAL STAGE OF CIEC WILL HAVE TO BE IMPOSED BY THE G-8, BUT IN OUR CONTACTS WITH G-19 DELS WE FIND THAT OUR OWN SHORT LIST OF KEY ISSUES (ODA, COMMON FUND, ONGOING ENERGY DIALOGUE, ETC.) GENERALLY CORRESPONDS WITH THEIRS. OUR MAJOR PROBLEM IN THIS REGARD IS LIKELY TO BE WITH A FEW ISSUES WHICH WE WOULD CONSIDER SECONDARY (E.G. PRICE REVISION CLAUSES IN COMMODITY AGREEMENTS, ETC.) BUT ON WHICH THE G-19 WILL UNDOUBTEDLY PUSH FOR A CONTINUATION OF NEGOTIATIONS AT THE SENIOR OFFICIALS' MEETING. THE REST OF THE G-8 TENDS TO SHARE OUR VIEW ON THESE ISSUES, BUT SOME, INCLUDING THE EC, ARE RELUCTANT TO DRAW A FIRM LINE.

4. WHILE A NUMBER OF OBSTACLES AND POTENTIAL PITFALLS REMAIN AHEAD, WE CONSIDER THAT THE RESULT OF THE CONTACT GROUPS SESSIONS IS GENERALLY POSITIVE. WE

HAVE MADE MORE PROGRESS THAN WE HAD ANTICIPATED ON
SOME ISSUES (E.G. ODA AND ENERGY), AND THE
OVERALL ATMOSPHERE IS GENERALLY GOOD. THE MOST
DIFFICULT ISSUES STILL OPEN ARE THE COMMON FUND--
WHERE G-19 AGREEMENT TO A POLITICAL COMMITMENT ALONG
THE LINES OF THE ROME FORMULA, WITH THE EC'S

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MINIMUM QUALIFYING ELEMENTS, WILL CLEARLY BE DIFFICULT TO OBTAIN--AND OPEC AGREEMENT TO AN ONGOING DIALOGUE LIMITED TO ENERGY--AN OBJECTIVE TO WHICH THE EC HAS COME TO ATTACH EVEN GREATER POLITICAL IMPORTANCE OVER THE PAST TWO WEEKS. END SUMMARY.

ENERGY COMMISSION

5. ENERGY COMMISSION WOUND UP INTENSIVE FINAL DAYS OF ACTIVITY WITH RELATIVELY UNBRACKETED TEXT OF CONCLUSIONS AND RECOMMENDATIONS IN SUPPLY AND CO-OPERATION AREAS CONTAINING MOST ELEMENTS SOUGHT BY G-8. ONLY SIGNIFICANT AREAS OF DIS-AGREEMENT IN THESE AREAS WHICH WILL BE BROUGHT FORWARD TO SENIOR OFFICIALS MEETING ARE A) LANGUAGE PUSHED STRONGLY BY OPEC CALLING ON DC'S TO GRANT OIL PRODUCERS GREATER SHARE OF FUTURE REFINING AND OTHER PETROLEUM-RELATED INDUSTRIAL ACTIVITIES AND TO PROVIDE ENHANCED MARKET ACCESS TO THEIR PRODUCTS, AND B) JAMAICAN-LED CAMPAIGN FOR CIEC RECOMMENDATIONS ON STRUCTURE AND CONDITIONALITY OF WITTEVEEN FUND (JAM-AICAN PRODUCED FORMAL PROPOSAL WHICH HE INDICATED HE WOULD TAKE UP AT SENIOR OFFICIALS MEETING). APART FROM THESE PROBLEMS, AND A FEW MORE MINOR BRACKETS, SUPPLY AND COOPERATION LANGUAGE REPRESENTS CONSIDERABLE ADVANCE OVER NOVEMBER TEXTS.

6. THERE WAS NO AGREEMENT ON PRICE AND PRESERVATION OF PURCHASING POWER ISSUES. IN RESPONSE TO U.S.-SAUDI CO-CHAIRMEN'S PROPOSAL THAT PRICE LANGUAGE BE LIMITED TO NOTATION OF NON-AGREEMENT ACCOMPANIED BY REPETITION OF WORK PROGRAM LANGUAGE AND G-8 AND G-19 POSITIONS AS STATED BY JAPANESE AND IRANIANS LAST YEAR, CONFIDENTIAL

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IRAN, BACKED BY IRAQ AND SOME OTHER OPEC COUNTRIES, PUSHED FOR INCLUSION OF THEIR WELL-KNOW VIEWS ON PURCHASING POWER AND INDEXATION IN SUPPLY SECTION.

IN THE END, IT WAS AGREED THAT ENERGY COMMISSION REPORT WOULD INDICATE EXPLICITLY THE OBVIOUS THAT AGREEMENTS ON THE REST OF THE TEXT IS AD REFERENDUM AND CONDITIONAL UPON "SATISFACTORY RESOLUTION OF REMAINING ISSUES, PARTICULARLY PRICES." THIS WILL BE ACCOMPLISHED BY COVERING NOTE FROM COMMISSION CO-CHAIRMAN WHICH ALSO NOTES, AT PROPOSAL OF U.S. CO-CHAIRMAN, THAT FINAL AGREEMENT IS LINKED TO "AGREEMENT OF MINISTERS ON THE FINAL SET OF RESULTS OF THE CONFERENCE AS A WHOLE."

7. QUESTION OF ONGOING CONSULTATIONS AROSE WITH INCREASING FREQUENCY IN FINAL DAYS AS G-8 SOUGHT (PRIMARILY DUE TO EC INSISTENCE) TO INCLUDE BLAND LANGUAGE IN FINAL REPORT INDICATING THAT CONTINUED "CONTACT" ON ENERGY WAS DESIRABLE AND WOULD BE PURSUED IN FINAL STAGES OF CONFERENCE. (THIS OCCURRED DESPITE EARLIER G-8 TACTICAL AGREEMENT--AT SUGGESTION OF EC--THAT WE WOULD NOT PUSH ISSUE OF ON-GOING DIALOGUE UNTIL FINAL STAGE OF CIEC.) IRAN, ALGERIA AND OTHER OPEC HARD-LINERS TOOK POSITION THAT THEY COULD ACCEPT NO ENERGY-EXCLUSIVE CONTINUED DIALOGUE BEYOND SOME UNSTRUCTURED EXCHANGE OF TECHNICAL INFORMATION; ANYTHING BEYOND THAT WOULD HAVE TO INCLUDE ALL NON-ENERGY NORTH/SOUTH ISSUES AS WELL AS ENERGY. ON BEHALF OF G-8, U.S. CO-CHAIRMAN CONCLUDED FINAL COMMISSION SESSION WITH STATEMENT THAT G-8 CONSIDERS AN ONGOING ENERGY DIALOGUE TO BE IN INTEREST OF ALL COUNTRIES AND EXPECTS THIS QUESTION TO BE DEALT WITH AT A LATER STAGE OF CONFERENCE.

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RAW MATERIALS

8. FINAL SESSION OF RAW MATERIALS COMMISSION WAS UNEVENTFUL. COMMISSION'S REPORT TRANSMITTING PAPERS PRODUCED IN CONTACT GROUPS TO CONFERENCE COCHAIRMEN INCLUDES, AT G-19 INSISTENCE, PARAGRAPH EXPRESSING LATTER'S CONCERN ABOUT LIMITED RESULTS OF NEGOTIATIONS, WHICH IN THEIR VIEW DO NOT MATCH INTENTIONS STATED BY SENIOR OFFICIALS IN JULY 1976. G-8 IN RESPONSE ADDED PARAGRAPH STATING THAT PROGRESS HAD BEEN MADE, THAT G-8 HAD MADE SIGNIFICANT EFFORTS, AND THAT CO-OPERATION BY ALL PARTICIPANTS WAS NEEDED FOR SUCCESS. (FRENCH, THRU EC, BLOCKED G-8 ADOPTION OF ANY WORD STRONGER THAN "SIGNIFICANT" BEFORE "EFFORTS.")

9. STATUS OF WORK ON KEY ISSUES AT END OF SESSION IS AS FOLLOWS:

A. INTEGRATED PROGRAM/COMMON FUND:

IN FINAL CONTACT GROUP SESSIONS G-8 TABLED NEW PROPOSAL WHICH MOVES TOWARD G-19'S TEXT (SEPT-8) BUT CONTAINS A BLANK PARAGRAPH TO BE COMPLETED LATER ON COMMON FUND. G-8 ALSO READ STATEMENT IN BOTH CONTACT GROUP AND COMMISSION AFFIRMING ITS POLITICAL WILL TO REACH A CIEC OUTCOME GIVING EFFECTIVE IMPETUS TO SECURING PRODUCTIVE RESULTS FROM COMMON FUND NEGOTIATIONS. STATEMENT WAS WELL RECEIVED. G-8 AND G-19 PAPERS ARE BEING FORWARDED TO CONFERENCE COCHAIRMEN SEPARATELY

B. COMPENSATORY FINANCING:

G-8'S PROPOSAL FOR INTERNATIONAL STUDY ON EXPORT EARNINGS STABILIZATION WAS NOT ACCEPTED BY G-19, AND LATTER'S COUNTERPROPOSAL, WHICH APPEARS TO PREJUDGE CONFIDENTIAL

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OUTCOME OF STUDY, WAS REJECTED BY G-8. FINAL PAPER INCLUDES BOTH PROPOSALS PLUS G-19'S NOVEMBER TEXT ON SPECIFIC IMPROVEMENTS IN IMF COMPENSATORY FINANCING FACILITY, ALL IN BRACKETS.

C. PURCHASING POWER:

FINAL PAPER IS SAME AS DISAGREED NOVEMBER TEXT WITH VERY MINOR CHANGES.

D. INVESTMENT:

G-19 IS HOLDING RAW MATERIALS INVESTMENT PAPER HOSTAGE TO NEGOTIATIONS ON COMPENSATORY FINANCING AND PURCHASING POWER. RESULT WAS VIRTUALLY NO DISCUSSION OF THIS ISSUE. FINAL PAPER IS ESSENTIALLY THE SAME AS THAT PRODUCED IN NOVEMBER.

E. LOCAL PROCESSING/DIVERSIFICATION, INTERESTS OF IMPORTING DEVELOPING COUNTRIES; TRANSPORT, MARKETING AND DISTRIBUTION; NATURAL PRODUCTS/ SYNTHETICS:

THOUGH SIGNIFICANT PROGRESS WAS MADE IN DEVELOPING COMMON TEXTS, THESE PAPERS STILL CONTAIN A LARGE NUMBER OF AREAS OF DISAGREEMENT REFLECTED IN BRACKETED LANGUAGE.

10. TRADE: JOINT CONTACT GROUP ON TRADE AGREED ON FIVE PARAGRAPHS: DIFFERENTIAL TREATMENT IN MTN; IMPROVEMENT OF GSP (ONE ON SECURITY AND ONE ON PRODUCT COVERAGE); NEED FOR QUICK CONCLUSION OF NEGOTIATIONS ON MULTI-FIBER AGREEMENT; AND TRADE PROMOTION. G-8 COULD NOT AGREE ON SUPPLY TEXT AND ISSUE WAS NOT DISCUSSED IN CONTACT GROUP. DISAGREED ISSUES ARE NOT EXPECTED TO BE NEGOTIATED FURTHER AT CIEC EXCEPT FOR SUPPLY, WHICH MUST STILL BE DISCUSSED WITHIN G-8.

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FINANCIAL AFFAIRS COMMISSION (FAC)

11. ALL CONTACT GROUPS OF FAC MET INTENSIVELY DURING PERIOD MAY 12 AND 13, CULMINATING IN REPORTS BY CO-MODERATORS TO FAC PLENARY SESSION MAY 14.

12. CONTACT GROUP NO. 2 (ON FOREIGN DIRECT INVESTMENT, ACCESS TO CAPITAL MARKETS AND OTHER FLOWS) COMPLETED ITS WORK, WITH SIGNIFICANT AREAS OF AGREEMENT ON FOREIGN DIRECT INVESTMENT AND CAPITAL MARKETS ACCESS. HOWEVER, IN FINAL STAGE OF NEGOTIATIONS, G-19 BRACKETED TERM "DIRECT" IN THE TITLE AND ELSEWHERE IN PAPER, ARGUING THAT BROADER TERM "FOREIGN PRIVATE INVESTMENT" SHOULD BE USED. G-8 STRONGLY OPPOSED THIS VIEW. AGREED LANGUAGE ON INVESTMENT INCLUDED IMPORTANCE OF CONTINUITY OF INVESTMENT FLOWS AND OF NEED FOR GOOD CONDITIONS FOR ENTRY OF INVESTMENT. FUNDAMENTAL DIFFERENCES REMAIN, WITH RESPECT TO IMPORTANT ISSUES OF SOVEREIGNTY, AND CERTAIN PRINCIPLES OF WHAT CONSTITUTES A GOOD FOREIGN INVESTMENT CLIMATE. IN LATTER AREA, BASIC LEGAL QUESTIONS ON SETTLEMENT OF INVESTMENT DISPUTES REMAIN OUTSTANDING. IMPORTANCE OF INTERNATIONAL COOPERATION IN FIELDS OF TRANSNATIONAL CORPORATIONS AND ILLICIT PAYMENTS ALSO WAS AGREED. CAPITAL MARKETS ACCESS TEXT IS AGREED, WITH EXCEPTION OF BRACKETED LANGUAGE CONCERNING EMPHASIS ON IMPLEMENTATION OF SOME OF THE WORK AND RECOMMENDATIONS OF THE IBRD/IMF DEVELOPMENT COMMITTEE. "OTHER FLOWS" REMAINED FUNDAMENTALLY DISAGREED. ONLY G-19 TEXT ON "OTHER FLOWS" (OECD PARIS 13270) AND THEIR ADDITIONAL PARAGRAPH ON SUPPLEMENTARY CREDIT FACILITY WILL APPEAR IN REPORT OF THE CONTACT GROUP.

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13. IN CONTACT GROUP ON INFLATION, GROUP WAS ABLE TO REACH AGREEMENT ON ONLY SOME OF THE MORE GENERAL STATEMENTS ABOUT PROBLEM OF INFLATION. IT IS APPARENT THAT G-8 AND G-19 TREATED THE SUBJECT FROM QUITE DIFFERENT ANALYTICAL BASES AND MAINTAINED FUNDAMENTAL DISAGREEMENT ON THE SUBSTANTIVE ISSUES: THE CAUSES OF AND MEASURES TO BE TAKEN AGAINST INFLATION, ALL OF WHICH IN THE G-19 TEXT RELATE TO THE BEHAVIOR OF THE DEVELOPED COUNTRIES ONLY. WHILE THERE ARE A FEW AGREED PARAGRAPHS, THE ANALYTICAL AND INSTRUMENTAL PARAGRAPHS COULD NOT BE AGREED AND WERE PRESENTED AS

SEPARATE TEXTS.

14. FINAL RESULT OF CONTACT GROUP ON COOPERATION AMONG LDC'S INCLUDED A GENERALLY AGREED INTRODUCTION ON THE IMPORTANCE OF SUPPORT BY THE INTERNATIONAL COMMUNITY FOR COOPERATION AMONG LDC'S. HOWEVER, LITTLE OF REMAINDER OF TEXT ON MEASURES OF SUPPORT BY INTERNATIONAL ORGANIZATIONS AND BY DEVELOPED COUNTRIES FOR COOPERATION AMONG LDC'S WAS AGREED. SWEDISH DEL POINTED OUT THAT THIS GROUP WAS HAUNTED BY "SACROSANCT" UNCTAD LANGUAGE IN THIS REGARD.

15. CONTACT GROUP ON OPEC ASSETS WAS ABLE TO HOLD ONLY A FEW SESSIONS, DUE TO A LATE START. G-8 PROVIDED NEW BRIEF DRAFT WHICH ATTEMPTED TO PICK UP SOME OF VIEWS OF G-19. IN LAST HOURS OF MAY 13, G-19 RESPONDED WITH NEW DRAFT WHICH INCORPORATED SOME OF G-8 DRAFT, BUT UTILIZED OLDER NOVEMBER G-19 LANGUAGE AS WELL. WHILE BOTH TEXTS HAD PROGRESSED FROM EARLIER POSITIONS, FUNDAMENTAL DIFFERENCES REMAINED. A FURTHER REVISED G-8 TEXT WAS SUBMITTED, IN PARALLEL WITH G-19 NOVEMBER TEXT, AS THE REPORT OF THIS CONTACT GROUP.

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DEVELOPMENT COMMISSION

16. CONTACT GROUPS WORKED CONTINUOUSLY OVER LAST TWO DAYS UNTIL EARLY MORNING HOURS MAY 14. THERE WAS SURPRISING FORWARD MOVEMENT IN ODA GROUP WHICH WORKED COMPROMISE TEXT WITH THREE UNRESOLVED ISSUES. G-19 DECIDED TOO LATE TO MOVE FORWARD IN FOOD AND AGRICULTURE. ITS TACTIC IN INDUSTRIALIZATION/TRANSFER OF TECHNOLOGY GROUP WAS TO STICK TO ITS ORIGINAL PROPOSALS, DESPITE PROMISING COMPROMISE LANGUAGE. INFRASTRUCTURE GROUP FELL JUST SHORT OF AGREED TEXT. AT WRAP-UP SESSION OF COMMISSION, MOST MODERATORS REPORTED ON CONTACT GROUP ACTIVITY IN RELATIVELY ROUTINE FASHION IN CONGENIAL ATMOSPHERE. AT REQUEST OF G-8, WELLENSTEIN MADE STATEMENT ON SPECIAL ACTION GIVING PROPER SIGNAL WITHOUT COMPROMISING ASPECTS G-8 IS STILL NEGOTIATING.

17. ODA/DEBT: ATMOSPHERE THROUGHOUT REMAINED CONGENIAL AND BUSINESSLIKE. AFTER LONG INTERNAL DISCUSSION, G-8 PRESENTED TEXT ON ODA VOLUME ON MAY 12TH. G-19 WAS SURPRISINGLY RECEPTIVE TO PROPOSED COMPROMISE LANGUAGE ON THIS AND OTHER ISSUES. ONLY THREE ISSUES REMAIN UNRESOLVED IN AGREED TEXT
A) G-19 REQUEST FOR LANGUAGE CALLING FOR ACCEPTANCE OF 0.7 PER CENT TARGET BY COUNTRIES WHICH HAVE NOT DONE SO, B) WORDING OF CHAPEAU ON LIST OF POSSIBLE MEASURES DONORS MIGHT CONSIDER TO INCREASE ODA AND C) REFERENCES TO OPEC DONORS. DEBT FEATURES PROPOSALS WERE NEVER DISCUSSED IN DEPTH. G-19 DECIDED EARLY-ON NOT TO DEBATE MERITS OF UUS/EC PROPOSAL AT CONTACT
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GROUP LEVEL BECAUSE, AS INDIAN MODERATOR SAID ON JOINT COMMISSION MEETING, THERE WAS BASIC CONCEPTUAL DIFFERENCE BETWEEN US/EC AND G-19 APPROACHES TO LDC DEBT PROBLEMS. DOCUMENT CONTAINING ALL INDEBTEDNESS TEXTS WILL BE FORWARDED TO SENIOR OFFICIALS.

18. FOOD AND AGRICULTURE: AFTER TORTUOUS NEGOTIATING, AGREEMENT WAS EVENTUALLY REACHED ON INTRODUCTORY LANGUAGE TO FOOD AND AGRICULTURE TEXT PLUS A FEW SELECTED ISSUES: A) CALL FOR EARLY DECISION TO COMMENCE GRAIN RESERVES NEGOTIATIONS, B) LDC FERTILIZER PRODUCTION, AND C) INDICATIVE TARGET OF \$20 MILLION FOR DEVELOPMENT OF LDC SEED PRODUCTION. PARAGRAPH COMMITTING G-8 TO CONTRIBUTE TO 500,000 TON EMERGENCY GRAIN RESERVE COULD HAVE BEEN AGREED EXCEPT FOR G-19'S REFUSAL TO CALL ON OTHER (OPEC) DONORS TO DO LIKEWISE. CONTACT GROUP REPORT WILL FOLLOW ORDER OF G-8'S TEXT OF FINAL PROPOSALS, SHOWING AGREED PARAGRAPHS WHERE THEY APPEAR AND SEPARATE, UNBRACKETED G-19 AND G-8 TEXTS WHERE AGREEMENT WAS NOT REACHED.

19. INFRASTRUCTURE: PRIME ISSUE OF DECADE FOR AFRICAN TRANSPORT AND COMMUNICATIONS INFRASTRUCTURE CAME CLOSE TO RESOLUTION. G-8 REACHED AGREEMENT TO PROPOSE THAT UN ECONOMIC COMMISSION FOR AFRICA SPONSOR A CONFERENCE ON DEVELOPMENT OF AFRICAN INFRASTRUCTURE, BOTH PHYSICAL AND SOCIAL, OVER COMING DECADE. THIS WAS ALL BUT ACCEPTED BY CAMEROONIAN G-19 SPOKESMAN, BUT HIS HEAD OF DELEGATION DID NOT GO ALONG AT LAST MOMENT. BOTH SIDES AGREED THAT LANGUAGE CAN BE FOUND TO REFLECT COMMON CONCERN FOR AFRICAN INFRASTRUCTURE. TWO OTHER G-19 PROPOSALS OF MINOR IMPORTANCE WERE NOT RESOLVED:
A) MONITORING DC PRODUCTION OF CAPITAL GOODS AND

ASSURING THEIR PROVISION TO LDCS REGARDLESS OF
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AVAILABILITY OF FOREIGN EXCHANGE AND B) ASSISTANCE
"TO HELP AFFORD (LDCS) FAIR PARTICIPATION IN
WORLD SEABORNE TRADE BY MAKING THEIR MERCHANDISE
SHIPPING FLEETS MORE EFFICIENT AND COMPETITIVE."
REST OF TEXT WAS ESSENTIALLY AGREED. REPORT WILL
FOLLOW SAME FORMAT AS THAT ON FOOD AND AGRICULTURE.

20. INDUSTRIALIZATION /TRANSFER OF TECHNOLOGY:
DESPITE PREVIOUS INDICATIONS TO THE CONTRARY,
AGREEMENT WAS REACHED ON ONLY TWO INDUSTRIALIZATION
ISSUES: UNIDO INDUSTRIAL DEVELOPMENT FUND AND TECHNICAL

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ACTION EUR-12

INFO OCT-01 ISO-00 AF-10 ARA-06 EA-07 NEA-10 AID-05
CEA-01 CIAE-00 COME-00 EB-07 FRB-03 INR-07 IO-13
NSAE-00 OPIC-03 SP-02 TRSE-00 LAB-04 EPG-02
SIL-01 AGRE-00 OMB-01 ERDA-05 DODE-00 FPC-01 H-01
INT-05 L-03 NSC-05 PM-04 OES-07 SS-15 STR-04
ACDA-07 NSCE-00 SSO-00 USIE-00 INRE-00 FEA-01
/153 W

-----142030Z 005170 /64

O R 141952Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6657
INFO ALL OECD CAPITALS
AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY BELGRADE
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CAIRO
AMEMBASSY CARACAS
AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KINGSTON
AMEMBASSY KINSHASA
AMEMBASSY LAGOS
AMEMBASSY LIMA
AMEMBASSY LUSAKA
AMEMBASSY MEXICO
AMEMBASSY NEW DELHI
AMEMBASSY TEHRAN
AMEMBASSY YAOUNDE
USDEL MTN GENEVA
USMISSION GENEVA
USMISSION USUN

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ASSISTANCE. G-19 RESISTED DISCUSSION OF MANY ISSUES IN FINAL PHASE, PREFERRING TO FORWARD PROPOSALS FROM BOTH SIDES TO SENIOR OFFICIALS DESPITE DIFFICULTY OF NEGOTIATING SUCH TECHNICAL ISSUES AT THAT LEVEL. REPORT WILL BE PREPARED IN SAME FORMAT AS THAT FOR FOOD AND AGRICULTURE.

21. G-8 CONTACTS IN G-19 CAPITALS: IN HORIZONTAL G-8 ON MAY 14, MACLEAN SAID CANADA HAD NO ENTHUSIASM FOR ORGANIZING JOINT G-8 DEMARCHES IN G-19 CAPITALS SINCE TIME WAS EXTREMELY SHORT AND CANADIANS FACED MANY OTHER TASKS, AND IN ANY EVENT CANADA HAD DOUBTS AS TO LIKELY PRODUCTIVITY OF SUCH AN EXERCISE. HOWEVER, CANADA HAD NO OBJECTION IF OTHER G-8 COUNTRIES WISHED INDIVIDUALLY TO MAKE SUCH DEMARCHES SO LONG AS THESE G-8 COUNTRIES DID NOT GET AHEAD OF AGREED G-8 POSITIONS, AND AS LONG AS CANADIANS WERE KEPT FULLY INFORMED. US (BOSWORTH) SAID ALTHOUGH WE WOULD HAVE PREFERRED JOINT DEMARCHE WE UNDERSTOOD CONSTRAINTS THE CANADIANS WERE WORKING UNDER. BOSWORTH INDICATED THAT THE US DID INTEND TO FOLLOW UP ON THE US APRIL DEMARCHES WITH G-19 CAPITALS. THE US WOULD INFORM OTHER G-8 COUNTRIES OF THE CONTENTS OF THESE DEMARCHES BEFORE MAKING THEM. THE US WOULD CERTAINLY NOT TAKE POSITIONS IN ADVANCE OF AGREED G-8 POSITIONS. THE EC (THOMAS) INDICATED IT HAD NOT YET DECIDED WHETHER IT WOULD MAKE ANY DEMARCHES IN G-19 CAPITALS, THOUGH EC WAS NOT ENTHUSIASTIC ABOUT IDEA. IF IN FACT THE EC DECIDED TO MAKE CONTACTS

IN G-19 CAPITALS, THE EC WOULD SO INFORM OTHER
G-8 COUNTRIES. MIYAZAKI STATED JAPAN TOO WAS
UNDECIDED AS TO WHETHER TO MAKE ANY DEMARCHE, BUT
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THAT IT UNLIKELY.

22. FURTHER G-8 COORDINATION: IT WAS GENERALLY
AGREED G-8 GROUPS COULD NOT PRACTICALLY MEET IN PARIS MUCH
BEFORE SENIOR OFFICIALS MEETING. HOWEVER, SPECIAL
CAUCUS OF G-8 IS TO MEET MAY 24 AND HORIZONTAL G-8
WILL MEET MAY 25.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENERGY, FINANCE, RAW MATERIALS, TRADE, COMMITTEE MEETINGS, PROGRAMS (PROJECTS), MEETING REPORTS
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Copy: SINGLE
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2523087
Secure: OPEN
Status: NATIVE
Subject: CIEC: FINAL COMMISSION AND CONTACT GROUP SESSIONS, MAY 12 - 14
TAGS: ENRG, EGEN, ETRD, EFIN, EAID, OECD, CIEC
To: STATE
Type: TE
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